



*Utah's housing situation  
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footing*

And that's a good thing. We're talking about the housing downturn that has the potential to wound the United States economy. Fortunately, Utah's housing situation appears to be on solid footing. Prices have risen recently, but the market doesn't appear excessively priced or overbuilt. Southwest Utah stands out as the lone exception.

Prices have risen sharply for the past two years along the Wasatch Front, but in relation to the national average price of a home, there was room for Utah home prices to rise just to come in line with the national average.

The best thing that happened to Utah during the national house-price explosion that began in 2002 is that Utah was very late to participate. Nationally, investor monies fleeing the stock market and into housing combined with historically-low mortgage rates to create a "perfect storm" in the national housing market. Buying was driven to a frenzy, dramatically pushing up prices. Home building went crazy and the national market became overbuilt. The price of this economic transgression is now coming due, and we are anxiously watching the U.S. economy to see how it weathers this housing and mortgage bust.

The key point is that Utah didn't participate in these transgressions and, therefore, Utah's economy is not threatened by a bad housing environment. Utah actually had the "perfect antidote" to this housing "perfect storm." Right when it developed nationally, Utah's 1980s baby boom reached the age of entering its home-buying years. The Utah market built homes like never before over the past four years, but it was just trying to keep pace with the surge in its local home-buying demographics. Talk about perfect timing to avert trouble! Utah should currently thank its economic guardian angel. ①

To follow the latest economic events:  
<http://jobs.utah.gov/wi/press/tlextra/tlextracurrent.asp>

## Unemployment Rate

(Seasonally Adjusted)

	May 2007 (f)	April 2007 (r)	April 2006 (r)
Utah	2.5	2.5	3.0
United States	4.5	4.5	4.6

## Job Growth

	May 2007 (f)	May 2006	Percent Change	April 2007 (r)	April 2006	Percent Change
Utah	1,250.5	1,196.5	4.5	1,247.9	1,193.5	4.6
United States			1.4			1.4

Source: Utah Department of Workforce Services.  
f = forecast; r = revised

## Did you know...

- New housing permits issued across Utah in this year's first quarter continued to tumble, indicating a housing slowdown could be around the corner. <http://deseretnews.com/dn/view/0,1249,660221326,00.html>
- Utah's "Life Elevated" promotion is increasingly striking a responsive chord with potential out-of-state tourists.
- Utah's tourism director says she is optimistic the state will outperform the rest of the country in visitor growth this summer. <http://deseretnews.com/dn/view/0,1249,660222268,00.html>

